

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01654-A
Farmers Water Co.
PO Box 7
Sahuarita, AZ 85629

RECEIVED

APR 16 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

9	30	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

4-16-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>FARMERS WATER CO.</u>		
Mailing Address <u>P.O. BOX 7 (1525 E. SAHUARITA RD.)</u>		
<u>SAHUARITA</u> (City)	<u>AZ</u> (State)	<u>85629</u> (Zip)
<u>520-879-7474</u> Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)	<u>n/a</u> Cell No. (Include Area Code)
Email Address <u>n/a</u>		
Local Office Mailing Address <u>P.O. Box 7 (1525 E. SAHUARITA RD.)</u>		
<u>SAHUARITA</u> (City)	<u>AZ</u> (State)	<u>85629</u> (Zip)
<u>520-879-7474</u> Local Office Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)	<u>n/a</u> Cell No. (Include Area Code)
Email Address <u>n/a</u>		

MANAGEMENT INFORMATION

Management Contact: <u>WARREN E. CULBERTSON</u>		<u>CEO</u>
(Name)		(Title)
<u>1525 E. SAHUARITA RD.</u> (Street) (City) (State) (Zip)	<u>SAHUARITA</u> (City)	<u>AZ</u> (State)
<u>85629</u> (Zip)	<u>520-879-7473</u> Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)
<u>520-400-2111</u> Cell No. (Include Area Code)	Email Address <u>n/a</u>	
On Site Manager: <u>JOHN (JACK) MILLER</u>		
(Name)		
<u>1525 E. SAHUARITA RD.</u> (Street)	<u>SAHUARITA</u> (City)	<u>AZ</u> (State)
<u>85629</u> (Zip)	<u>520-879-7432</u> Telephone No. (Include Area Code)	<u>520-791-2853</u> Fax No. (Include Area Code)
<u>520-444-7820</u> Cell No. (Include Area Code)	Email Address <u>n/a</u>	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: T. PATRICK GRIFFIN

ONE SOUTH CHURCH

(Street)

TUCSON

(City)

AZ

(State)

85701

(Zip)

520-792-3836

Telephone No. (Include Area Code)

520-792- 2853

Fax No. (Include Area Code)

n/a

Cell No. (Include Area Code)

Attorney: same as above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	6,893		6,893
303	Land and Land Rights			
304	Structures and Improvements	17,319	12,833	4,486
307	Wells and Springs	214,197	114,304	99,893
311	Pumping Equipment	160,570	130,314	30,256
320	Water Treatment Equipment	10,288	9,470	818
330	Distribution Reservoirs and Standpipes	451,289	356,953	94,336
331	Transmission and Distribution Mains	5,899,095	1,344,775	4,554,320
333	Services	776,364	152,169	624,195
334	Meters and Meter Installations	198,976	97,585	101,391
335	Hydrants	189,866	52,148	137,718
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	54,488	34,103	20,385
341	Transportation Equipment	52,059	22,435	29,624
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	8,031,404	2,327,089	5,704,315

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	6,893		
303	Land and Land Rights			
304	Structures and Improvements	17,319	4.46%	772
307	Wells and Springs	214,197	3.72%	7,971
311	Pumping Equipment	160,570	4.47%	7,183
320	Water Treatment Equipment	10,288	2.85%	293
330	Distribution Reservoirs and Standpipes	451,289	3.98%	17,966
331	Transmission and Distribution Mains	5,899,095	4.0%	236,149
333	Services	776,364	4.00%	31,055
334	Meters and Meter Installations	198,976	5.64%	11,231
335	Hydrants	189,866	4.00%	7,595
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	54,488	12.76%	6,955
341	Transportation Equipment	52,059	23.38%	12,172
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	8,031,404		339,342

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$(1,213)	\$(8,976)
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	7,876	28,002
146	Notes/Receivables from Associated Companies	881,076	1,026,334
151	Plant Material and Supplies		
162	Prepayments	(871)	(703)
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$886,868	\$1,044,657
	FIXED ASSETS		
101	Utility Plant in Service	\$7,952,169	\$8,031,404
103	Property Held for Future Use		
105	Construction Work in Progress		8,988
108	Accumulated Depreciation – Utility Plant	(1,994,584)	(2,327,090)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$5,957,585	\$5,713,302
	TOTAL ASSETS	\$6,844,453	\$6,757,959

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$10,811	\$9,988
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	37,149	34,418
	TOTAL CURRENT LIABILITIES	\$47,960	\$44,406
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	6,830,688	6,929,348
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	333,271	278,839
272	Less: Amortization of Contributions	(52,292)	(54,432)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$7,111,667	\$7,153,755
	TOTAL LIABILITIES	\$7,159,627	\$7,198,161
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$2,500	\$2,500
211	Paid in Capital in Excess of Par Value	497,500	497,500
215	Retained Earnings	(622,802)	(940,202)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$(122,802)	\$(440,202)
	TOTAL LIABILITIES AND CAPITAL	\$6,844,453	\$6,757,959

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$461,329	\$532,073
460	Unmetered Water Revenue		
474	Other Water Revenues	5,797	13,244
	TOTAL REVENUES	\$467,126	\$545,317
	OPERATING EXPENSES		
601	Salaries and Wages	\$184,654	\$193,709
610	Purchased Water		
615	Purchased Power	21,209	16,942
618	Chemicals		
620	Repairs and Maintenance	97,575	76,477
621	Office Supplies and Expense	18,641	15,427
630	Outside Services	31,955	15,105
635	Water Testing	12,500	11,154
641	Rents		
650	Transportation Expenses	4,273	2,018
657	Insurance – General Liability	3,327	3,317
659	Insurance - Health and Life	16,021	22,691
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	4,487	8,494
403	Depreciation Expense (LESS: Amortization)	243,727	284,911
408	Taxes Other Than Income		
408.11	Property Taxes	21,128	20,099
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$659,497	\$670,345
	OPERATING INCOME/(LOSS)	\$(192,372)	\$(125,028)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$(192,371)	\$(125,028)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

NONE

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME	FARMERS WATER CO.	12/31/07
Name of System:	ADEQ Public Water System Number:	PWS 10048

WATER COMPANY PLANT DESCRIPTION
SAHUARITA

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-534922(S52A)	30	220	1520	8	4	1993
*55-624001(S-52)	60	600	1200	14/12	8	1974

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	1	0	0
7 ½	1		
¾	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
17,500 gals	2	5,000 gals	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	FARMERS WATER CO.	12/31/07
Name of System:	ADEQ Public Water System Number:	PWS 10049

WATER COMPANY PLANT DESCRIPTION
CONTINENTAL
WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-624012(E5A)	75	500	520	16	8	1959
*55-624020(E-13)	60	650	1100	18	8	1953
55-210420(E-17)	50	500 (est)	800	12 ¾	6	2006
55-624028(NP-2)	10	35	375	16	2	1977

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
60	4	167	
30	3		
20	2		
15	4		
10	1		
¾	1		
3	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1,000,000 gals	1	5,000 gals	5
500,000 gals	1		
75,000 gals	1		
8,000 gals	1		

NY NAME	FARMERS WATER CO.	12/31/07
System:	ADEQ Public Water System Number:	PWS 10213

WATER COMPANY PLANT DESCRIPTION
SANTA RITA SPRINGS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-624025	200	1900	1186	18/16	12	1974

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
50	2	110	0
25	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1,000,000 gals	1	5000 gals	1
		10,000 gals	1

COMPANY NAME	FARMERS WATR CO.	12/31/07
Name of System:	ADEQ Public Water System Number:	PWS 10414

WATER COMPANY PLANT DESCRIPTION
SAHUARITA HIGHLANDS

ADWR IDNumber*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-201058	30	200	600	12 ¾	4	2004

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	1	38	0
25	1		
50	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,500 gals	1	5,000 gals	1

COMPANY NAME	FARMERS WATER CO.	12/31/07
Name of System:	ADEQ Public Water System Number:	PWS 10048

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

SAHUARITA S-52 & S-52A

MAINS

Size (in inches)	Material	Length (in feet)
2		2971
3	iron	1624
4	iron	1722
5		
6	Dip	377
8		
10		
12	Dip	296
4	PVC	3822
6	PVC	2681
8	PVC	3785

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	76
3/4	
1	5
1 1/2	1
2	1
Comp. 3	
Turbo 3	
Comp. 4	1
Tubo 4	
Comp. 6	
Tubo 6	
Total	84

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

One chlorine tablet injection system at Sahuarita Pumping Station

STRUCTURES:

S-52 well site: 6' chain link fence 96' perimeter

S-52A well site: 6' chain link fence 90' perimeter

Sahuarita storage & pumping station: 6' chain link fence 260' perimeter

OTHER:

Two (2) Ford F-150 pick-ups

One (1) Ford F-250 small truck

One (1) Mercury Grand Marquis

Note: If you are filing for more than one system, please provide separate sheets

COMPANY NAME	FARMERS WATER CO.	12/31/07
Name of System:	ADEQ Public Water System Number:	PWS 10049

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

CONTINENTAL, MADERA HIGHLANDS & NP-2

MAINS

Size (in inches)	Material	Length (in feet)
2	iron	1386
3	iron	1755
4	iron	1955
5		
6	Dip	3002
8	Dip	1346
10		
12	Dip	4205
16	Dip	3319
4	PVC	10,608
6	PVC	20,831
8	PVC	77,664
12	PVC	9803
16	PVC	600

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	550
3/4	1
1	137
1 1/2	14
2	33
Comp. 3	
Turbo 3	1
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	2
Total	738

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Four (4) chlorine tablet injection systems

STRUCTURES:

Wood storage bldg. 128 sq ft with 188' perimeter 6' chain link fence

Wood storage bldg 60 sq ft with 598' perimeter 6' chain link fence

NP-2 well site: 108' perimeter 6' chain link fence

Pump stn at Colonia Real: 451' perimeter 6' chain link fence

E-13A Well Site: 195' of 6' chain link fence

E-13A Pump Stn: 542' of block wall (tiered; height varies with terrain) and 6' chain link fence

OTHER:

NOTE: - 2007 Additions Included:

Portions of Madera Highlands Villages 1,3,5,6,7,8,9,10,15 and Madera Plaza

* = Discrepancies of meter numbers from previous years which may have included multiple occupants of same premise resulting in duplication

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	FARMERS WATER CO.	12/31/07
Name of System:	ADEQ Public Water System Number:	PWS 10213

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

SANTA RITA SPRINGS – W-11

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	ACP	2727
5		
6	ACP	2835
8	Dip	90
10		
12	Dip	1080
4	PVC	6130
6	PVC	17,355
8	PVC	17,174
12	PVC	11,811

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1251
3/4	
1	65
1 1/2	1
2	9
Comp. 3	
Turbo 3	1
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
Total	1327

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

One (1) chlorine tablet injection system

STRUCTURES:

1 – 60 sq ft storage bldg at pump stn with 224' of perimeter 6' chain link fence

W-11 well site: 143' linear 8' block wall

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system

COMPANY NAME	FARMERS WATR CO.	12/31/07
Name of System:	ADEQ Public Water System Number:	PWS 10414

WATER COMPANY PLANT DESCRIPTION (CONTINUED)
SAHUARITA HIGHLANDS

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	945
5		
6	PVC	2115
8	PVC	21850
10		
12	PVC	498

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	6
3/4	
1	22
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
Total	28

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

One (1 chlorine tablet injection system

STRUCTURES:

well and pump stn site: 8' block 606' perimeter

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: FARMERS WATER CO.	9/30/07
Name of System: ADEQ Public Water System Number:	PWS 10048

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007
SAHUARITA

S-52 & S52A

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 2006	95	2999	2965	--
NOVEMBER	93	2741	3552	--
DECEMBER	93	3473	2346	--
JANUARY 2007	86	2234	2141	--
FEBRUARY	86	2426	2443	--
MARCH	86	2554	2811	--
APRIL	85	3318	3742	--
MAY	85	2965	3685	--
JUNE	85	3215	3996	--
JULY	84	3395	3979	--
AUGUST	84	2583	2411	--
SEPTEMBER	83	2411	2510	--
		34,314	36,581	

What is the level of arsenic for each well on your system? 6.2 ppb mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? n/a GPM for n/a hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate

COMPANY NAME:	FARMERS WATER CO.	9/30/07
Name of System:	ADEQ Public Water System Number:	PWS 10049

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007
CONTINENTAL

E-5A & E-13A& NP-2

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 2006	448	13185	13034	--
NOVEMBER	461	12877	16684	--
DECEMBER	515	13168	8896	--
JANUARY 2007	568	6022	8108	--
FEBRUARY	597	7755	9592	--
MARCH	616	8883	10168	--
APRIL	625	12910	13980	--
MAY	645	10974	14326	--
JUNE	654	12780	14458	--
JULY	660	14225	13172	--
AUGUST	692	12549	13546	--
SEPTEMBER	716	10712	12080	--
		136,040	148,044	

E-5A 6.9 ppb

What is the level of arsenic for each well on your system? E-13A 4.3 ppb mg/l
(If more than one well, please list each separately.) NP-2 3.4 ppb

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ (X) Yes ☐ () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ (X) Yes ☐ () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ () Yes ☒ (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: FARMERS WATER CO.	9/30/07
Name of System:	ADEQ Public Water System Number: PWS 10213

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007
SANTA RITA SPRINGS

W-11

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
OCTOBER 2006	1330	6578	6713	--
NOVEMBER	1325	7089	8863	--
DECEMBER	1326	7469	6061	--
JANUARY 2007	1318	5920	6538	--
FEBRUARY	1318	7632	7676	--
MARCH	1319	7147	8180	--
APRIL	1324	8288	8199	--
MAY	1326	6810	7269	--
JUNE	1326	7036	7318	--
JULY	1325	9120	9439	--
AUGUST	1326	6265	6278	--
SEPTEMBER	1326	6017	6147	--
TOTALS →		85,371	88,681	

What is the level of arsenic for each well on your system? 9.0 ppb mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ (X) Yes ☐ () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ (X) Yes ☐ () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ () Yes ☒ (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME FARMERS WATER CO YEAR ENDING 09/30/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 20,464.93 FISCAL YR

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	
00000013	BETH LORD	00000000000001555	5/7/2007	
INVOICE #	DATE	DESCRIPTION	GROSS AMOUNT	AMOUNT PAID
9096390105	5/1/2007	2ND HALF 2006 TAXES	\$8,424.05	\$8,424.05
9096390205	5/1/2007	2ND HALF 2006 TAXES	\$694.59	\$694.59
9096390002	5/1/2007	2ND HALF 2006 TAXES	\$1,062.34	\$1,062.34

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COMMENT

Stub Totals: \$10,180.98 \$10,180.98

FARMERS WATER CO.		Wells Fargo Bank, Ohio, N.A.	
P.O. Box 7		56382	
Sahuarita, AZ 85629-0007		130 0226	
		DATE	AMOUNT
		5/7/2007	
PAY TO THE ORDER OF		*****10,180.98	
BETH LORD			
PIMA COUNTY TREASURER			
P.O. BOX 98765			
PHOENIX, AZ 85038-0765			
		CHECKS FOR AMOUNTS OVER \$5,000 REQUIRE 2 SIGNATURES	
		BY _____	
		BY _____	
		NON-NEGOTIABLE	
		AUTHORIZED SIGNATURES	

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**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF ARIZONA COUNTY OF (COUNTY NAME) PIMA
I, THE UNDERSIGNED NAME (OWNER OR OFFICIAL) TITLE WARREN E CULBETSON, CEO
OF THE COMPANY NAME FARMERS WATER CO.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING MONTH DAY YEAR
9 30 2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Warren E. Culberson

SIGNATURE OF OWNER OR OFFICIAL

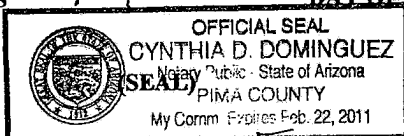
520-879-7473

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14 DAY OF April



MY COMMISSION EXPIRES February 22, 2011

[Signature]
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME FARMERS WATER CO YEAR ENDING 09/30/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	NOT APPLICABLE AS TAX RETURNS ARE
Estimated or Actual Federal Tax Liability	FILED AS MEMBER OF A CONSOLIDATED
	GROUP WITH FARMERS INVESTMENT CO

State Taxable Income Reported	_____
Estimated or Actual State Tax Liability	_____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>123,900</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>123,900</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Warren E. Culbertson
SIGNATURE

4/14/09
DATE

WARREN E. CULBERTSON
PRINTED NAME

C.E.O.
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 02 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
PIMA
NAME (OWNER OR OFFICIAL) TITLE
WARREN E CULBERTSON, CEO
COMPANY NAME
FARMERS WATER CO

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
09	30	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 578,578

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 33,261
IN SALES TAXES BILLED, OR COLLECTED)

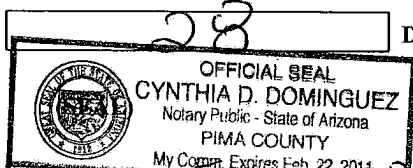
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
1-520-879-7474
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



COUNTY NAME	Pima	
MONTH	APRIL	2008


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES February 22, 2011

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

MAY 02 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) PIMA	
NAME (OWNER OR OFFICIAL) WARREN E CULBERTSON	TITLE CEO
COMPANY NAME FARMERS WATER CO	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 09	DAY 30	YEAR 2007
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

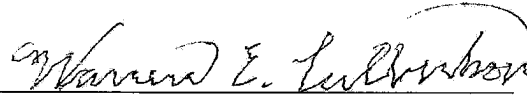
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 383,454
--

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 25,628
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

(520)879-7474
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

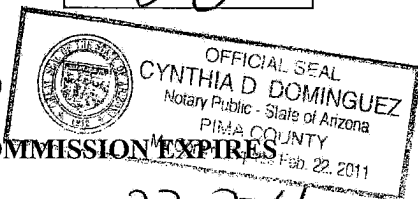
THIS

28

DAY OF

NOTARY PUBLIC NAME Cynthia D. Dominguez	
COUNTY NAME Pima	
MONTH April	YEAR 2008

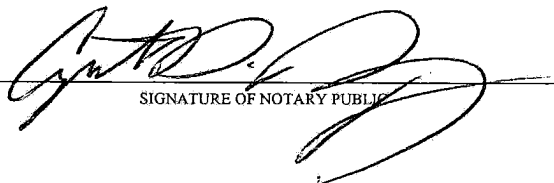
(SEAL)



MY COMMISSION EXPIRES

February 22, 2011

X


SIGNATURE OF NOTARY PUBLIC